

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 7200

BILL NUMBER: HB 1200

NOTE PREPARED: Jan 8, 2013

BILL AMENDED:

SUBJECT: Annexation.

FIRST AUTHOR: Rep. Mayfield

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: **GENERAL**
 DEDICATED
 FEDERAL

IMPACT: Local

Summary of Legislation: *Municipality Initiated Annexation:* The bill provides, with certain exceptions, that when a municipality initiates an annexation, the municipality must file a petition with the court containing the signatures of: (1) at least 60% of the landowners in the territory proposed to be annexed; or (2) the owners of more than 75% in assessed valuation of the land in the annexed territory. The bill provides that, if the court finds that the petition has a sufficient number of signatures, a hearing must be conducted to review the annexation and fiscal plan.

The bill allows a person to intervene as a party at the hearing to review the annexation and fiscal plan if:

- (1) the person is an owner of property in the territory;
- (2) the person and no other owner of the property have signed the petition filed by the municipality; and
- (3) the person appeared at the hearing conducted by the municipality on the annexation ordinance or submitted a remonstrance or other document into the record of the hearing.

Court Orders: It eliminates a procedure that requires the court to order an annexation not to take place if certain circumstances are shown. It also removes provisions allowing a municipality to obtain waivers of a landowner's right to remonstrate against an annexation.

Effective Date of Annexation: The bill provides that in all circumstances an annexation becomes effective when the ordinance or judgment is filed by the municipal clerk.

Repeals: The bill repeals provisions concerning: (1) waivers of remonstrance against an annexation; (2) filing

a remonstrance against an annexation; and (3) settlement agreements in lieu of annexation.

Effective Date: July 1, 2013.

Explanation of State Expenditures:

Explanation of State Revenues: *Civil Action Filing Fees:* The bill could reduce the revenue received from court fees for civil actions. The amount of the reduction is indeterminate because there are no records that identify court fee revenue from remonstrations separately from other court fees received.

Under current law, a remonstrance petition is filed in a circuit or superior court of the county where the territory is located by petitioners. Under the bill, the municipality would file a petition with the court. The civil costs fee of \$100 would be assessed when a civil case is filed, 70% of which would be deposited in the state General Fund if the case is filed in a court of record or 55% if the case is filed in a city or town court.

In addition, some or all of the judicial salaries fee (\$20), public defense administration fee (\$5), court administration fee (\$5), and the judicial insurance adjustment fee (\$1) are deposited into the state General Fund. Revenue from the pro bono services fee (\$1) is transferred by the State Auditor to the Indiana Bar Foundation for use to assist with pro bono legal services programs in Indiana. And proceeds from the automated record keeping fee (\$5) are deposited into the state User Fee Fund.

Additional fees may be collected at the discretion of the judge and depending upon the particular type of case.

Under IC 33-37-3-1, civil action filing fees are not collected from a political subdivision in an action brought by the political subdivision

Explanation of Local Expenditures: The bill has indeterminate fiscal impact, but potentially reduces the time that a court may be involved in annexation through elimination of the remonstrance process.

Background: Under current law, if a municipality initiates an annexation, the landowners in the annexed area, in certain circumstances, have the ability to remonstrate against the annexation. Under the bill, the court would be involved in the annexation prior to its implementation, making a determination that a petition has sufficient signatures to advance and holding a hearing to review the petition. The remonstrance process would be curtailed for municipality initiated annexations. There is no change to a land owner's ability to appeal annexation to the circuit court or superior court of a county in which the annexed territory is located.

Explanation of Local Revenues: *Civil Action Filing Fees:* Local governments would receive revenue from the following sources for a civil action filing by a private individual. The county general fund would receive 27% of the \$100 civil costs fee that is assessed in a court of record. Cities and towns maintaining a law enforcement agency that prosecutes at least 50% of its ordinance violations in a court of record may receive 3% of court fees. If the case is filed in a city or town court, 20% of the court fee would be deposited in the county general fund and 25% would be deposited in the city or town general fund. Additional fees may be collected at the discretion of the judge, depending upon the particular type of case.

Persons filing a civil case are also required to pay the following fees that are deposited in local funds.

The document storage fee (\$2) is deposited into the clerk record perpetuation fund.

The following fees are deposited into the general fund of the county in which the court is located:

- Document fees (\$1 per document) are charged for preparing transcripts or copies of record or certificate under seal.
- Service fee (\$10) collected from the filing party for each defendant beyond the first cited in the lawsuit.

State Agencies Affected:

Local Agencies Affected: Annexing municipalities.

Information Sources:

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